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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 9, 1991

Mr. Richard Blubaugh
Regulatory Affairs Manager
Atlas Corporation
Suite 3150
370 Seventeenth Street
Denver, Colorado 80202-5631

Dear Mr. Blubaugh:

Re: Reclamation Surety for the Radium King Mine, M/037/007, San Juan County, Utah

Please find enclosed a letter from the BLM's San Juan Resource Area. The letter discusses a reclamation estimate recently generated by the BLM for the Radium King mine site. The estimate establishes a \$20,000 surety for the site, currently Atlas carries a \$43,630 reclamation surety for this site in the form of a Board Contract (self bond).

Recently Atlas has asked that this site be transferred to Mr. Joe D. Beirschied. Atlas provided the transfer forms and reclamation contract and Mr. Beirschied provided a \$13,000 Certificate of Deposit as surety. The \$13,000 surety estimate was developed by the Division in January of 1990. Because the site is located on BLM lands, their surety requirements will take precedence over ours.

The BLM's estimate is provided as a recommendation, as indicated in the attached letter. The Division will require a \$20,000 reclamation surety, unless Atlas is able to provide information, to the BLM and Division, that portions of the disturbance evaluated by the BLM's San Juan office occurred prior to 1981. I suggest a site meeting to resolve this, with representatives from Atlas, the BLM, this office and Mr. Joe D. Beirschied.

Our next Division Board meeting is scheduled for October 2, 1991. All Board material will be due by September 16, 1991. This will probably not leave us enough time to process the transfer by the October 2nd Board Hearing. The next hearing is scheduled for October 24, 1991.

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Please contact me with any questions you may have or to set up a time for a site visit.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Shepherd", written in a cursive style.

Holland Shepherd
Senior Reclamation Specialist

jb
Enclosure
cc: Joe D. Beirschied
Carl Dixon, Atlas Minerals,
Ted McDougal, BLM, San Juan RA

M037007.2



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

M/037/007

3800
U-069

IN REPLY REFER TO

Moab District
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535

SEP - 5 1991

Mr. Holland Shepherd
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RECEIVED

SEP 09 1991

DIVISION OF
OIL GAS & MINING

Dear Mr. Shepherd:

Reference is made to your letter dated August 12, 1991 requesting the Bureau's recommendation for surety on the Radium King Mine (M/037/007).

In order to assess the site specific reclamation needs, a field investigation was conducted on August 27, 1991. Cost estimations have been made based on reclamation of only those areas identified in the Notice of Intent submitted to DOGM on November 1, 1976. Adjacent areas disturbed prior to that time were not considered.

Please find enclosed an itemized cost estimate for reclamation of the subject mine. We estimate actual reclamation costs to be \$17,763.00. However, to cover any contingencies and costs associated with contract administration, we recommend a surety in the amount of \$20,000.00.

Since mine operations began prior to the effective date of the Bureau's Surface Management Regulations (43 CFR 3809), a Plan of Operations was not required to be filed with this office and accordingly the Bureau of Land Management cannot require reclamation of areas disturbed prior to January 1, 1981 unless these areas are subsequently redisturbed. It is possible that surface disturbing activities continued after 1981, but we have no way of determining the extent of this activity. Therefore, the surety estimate we are providing is only a recommendation.

If you have any questions please contact Ted McDougall of my staff at (801) 587-2141.

Sincerely yours,

Robert Turner
Acting Area Manager

Enclosure: Rec Estimate
cc: MDO (U-065)

RECLAMATION ESTIMATE FOR RADIUM KING MINE
PREPARED BY BUREAU OF LAND MANAGEMENT, SAN JUAN RESOURCE AREA,
AUGUST 30, 1991

1. EAST CHANNEL SITE

A. Mine Camp

Revegetate Approximately	6 acres
General Clean-up	2 acres

B. Mine Portals & Work Areas

Recontour	5 acres
Revegetate	13 acres
Backfill & Seal Portals	(2 ea.)
Remove Old Structures	(2 ea.)
General Clean-up	2 acres

2. WEST CHANNEL SITE

A. Mine Portals & Work Areas

Recontour	1 acre
Revegetate	2.7 acres
Remove Old Structure	(1 ea.)
Backfill & Seal Portals	(2 ea.)

3. TOTAL

Recontour	6 acres
Revegetate	22 acres
General Clean-up	4 acres
Remove Old Structures	(3 ea.)
Backfill & Seal Portals	(4 ea.)

4. Recontour 6 acres

D-8 Cat @ \$125.00/hr. x 50 hrs. = \$6,250.00

Mobilization @ \$65.00/hr. x 6 hr. = \$ 390.00

5. Revegetate 22 acres

Rip (scarify) 2 acre/hr. x \$ 125.00/hr. = \$1,375.00

Fertilizer (34-0-0)

@ 50 lbs/acre x \$0.22/lb = \$ 242.00

Mulch (straw) 2 tons/acre x \$50.00/ton = \$2,200.00

Mulch Mobilization \$65.00/hr. x 6 hrs. = \$ 390.00

Mulch hand applied

88 man-hrs x \$10.00/hr. = \$ 880.00

Mulch crimped 2 acres/hr x \$125.00/hr. = \$1,375.00

Seed @ 12 lbs/acre x \$9.00/lb = \$2,376.00

Seed & Fertilizer Application

24 man-hrs x 10.00/hr. = \$ 240.00

6. General Clean-up 4 acres

36 man-hrs. @ \$10.00/hr. = \$ 360.00

7. Remove Old Structures (3 ea.)

Burn & Bury on site

D-8 Cat @ \$125.00/hr. x 2 hrs. = \$ 250.00

8. Backfill & Seal Portals (4 ea.)

3 Portals using D-8 Cat

@ \$125.00/hr. x 3 hrs. = \$ 375.00

6 man-hrs. x 10.00/hr. = \$ 60.00

1 Portal using D-8 Cat

@ \$125.00/hr. x 8 hrs. = \$1,000.00

9. TOTAL

= \$17,763.00

Rounded for bonding purposes, Contingency,
and Contract Administration.

= \$20,000.00